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SUBJECT: ISRAEL MEDIA REACTION

Please note: No Tel Aviv Media Reaction report on Monday, April 9, 2007, Seventh Day of Passover holiday.

SUBJECTS COVERED IN THIS REPORT:

1. Mideast
2. Iran: Detention and Release of UK Sailors

Key stories in the media:

Yediot and Israel Radio reported that around two weeks ago IDF Cpl. Gilad Shalit's captors passed on to him a pair of glasses sent by his father. The radio said that the Arabic-language Assennara first published the information, based on Palestinian members of Hamas. Yediot quoted GOI sources as saying that this is Hamas's first positive signal.

Maariv reported that, following Israeli pressure, the Pentagon has canceled a major arms-sale package that the Bush administration was planning to offer Saudi Arabia and the Persian Gulf states. Yediot, Ha'aretz, and The Jerusalem Post said that the deal had been postponed. Maariv said that the United States' intentions were positive -- strengthening those countries versus Iran, but that Israel warned the US that the advanced technology should not reach the hands of Arab countries, thus jeopardizing Israel's military edge.

The Jerusalem Post reported that Defense Minister Amir Peretz announced on Thursday night that in two weeks he will evacuate the settlers who on March 19 moved into a new four-story building on the road that links the settlement of Kiryat Arba with the Cave of the Patriarchs in Hebron. Israel Radio quoted Israeli defense sources as saying that Peretz requested that the building be vacated within 30 days.

All media quoted Muhammad Kumati, a senior Hizbullah official, as saying in an interview with the Arabic-language Assennara that the IDF soldiers abducted by the organization enjoy a "humane" treatment, similar to that received by Elchanan Tenenbaum, who was released in 2004. Assennara cited Kumati's belief that USG pressure on Israel is responsible for the two soldiers not being released, despite pressure by Israeli public opinion to reach achievements. Ha'aretz quoted Israeli experts who have been involved in prisoner swaps as saying that Britain handled the crisis with Iran "In an exemplary manner." The newspaper quoted that experts as saying cautiously that the release of the British servicemen could have a positive influence on Israeli concerns. The sources were quoted as saying that much of the possible release of the IDF soldiers abducted by Hizbullah depends on how the Israeli leadership acts in the next few days. The Jerusalem Post reported that Israeli diplomatic officials derided Syrian President Bashar Assad's offer to help with the prisoners' release. The proposal that Assad allegedly made to the ears of House Speaker Nancy Pelosi was reported on Thursday in the London-based Al-Hayat.

The Jerusalem Post reported that on Thursday PA officials expressed fear that the UN may formally declare the Gaza Strip a dangerous zone -- a move that would result in the evacuation of the remaining foreign nationals from the area and drastically hamper international humanitarian aid to the Palestinians. PA security sources told The Jerusalem Post that 25 Palestinians were killed in the Gaza Strip last month in internal fighting. The sources added that another four were killed in the West Bank. The newspaper wrote that the UN has yet to issue any formal statement about the possible move.

The media cited the IDF as saying that on Thursday evening IDF troops shot and killed a Palestinian man while on a patrol in the Judean Desert (near Jericho) in a case of apparent misconduct. Media reported that the activity of the IDF unit involved in the incident was suspended.

The Jerusalem Post published Vice PM Shimon Peres's answers to questions posed to him by readers of the newspaper. He was quoted as saying that there would have been no diplomatic process were it not for Yasser Arafat.

Citing AP, Ha'aretz reported that on Thursday US Congressman Darrell Issa (R-CA) met with Syrian President Bashar Assad, a day after a visit by US House Speaker Nancy Pelosi.

The Jerusalem Post reported that on Thursday British Consul-General in Jerusalem Richard Makepeace and BBC officials met in Gaza City with Palestinian PM Ismail Haniyeh of Hamas on ways to push for the release of Alan Johnston, a BBC journalist kidnapped three weeks ago. The Jerusalem Post quoted senior diplomatic sources in Jerusalem as saying that they understood that Makepeace met with Haniyeh specifically to deal with Johnston's kidnapping, that Israel

viewed this as an isolated meeting, and that there was no concern that it signified any shift in the British or EU policy of not having contact with Hamas ministers. The sources pointed out that the British themselves issued a statement to this effect.

Hatzofe reported that, as part of the settlers' drive to sell West Bank property to American Jews, Democratic New York State Assemblyman Dov Hikind bought a house in the northern West Bank.

National Security Studies Center Director Dan Schueftan, the author of "Disengagement" -- the 1999 book that The Jerusalem Post says became a virtual blueprint for the 2005 withdrawal from Gush Katif and northern Samaria (the northernmost part of the West Bank) -- was quoted as saying in an interview with The Jerusalem Post that the logic that led to the withdrawal from the Gaza Strip still applies and that future pullouts are as inevitable as continuing conflict with the Palestinians.

Ha'aretz reported that close associates of PM Ehud Olmert have advised him over the past few weeks to seek the resignation of Finance Minister Abraham Hirschson, who is under suspicion of embezzlement and other financial crimes. The sources were quoting as saying that Hirschson's police investigation is damaging Olmert, the Kadima party and the image of the Finance Ministry and Israeli economy, Globes said that cited the belief of Hirschson associates that he will step down only if Olmert explicitly tells him to do so.

Ha'aretz and other media reported that, after a break of seven years, American cruise ships returned to Israeli ports this week. The resumption of US cruise ship visits became possible after the official US travelers warning for Israel was modified, and American insurance companies stopped demanding excessive prices for traveling to Israel.

Maariv reported that the Bank of Israel is considering raising the interest rates or -- for the first time in 10 years -- buying US dollars to halt the drop in the American currency's rate on the Tel Aviv market. On Thursday the dollar's representative rate went down to 4.129 shekels.

11. Mideast:

Summary:

Senior columnist and chief defense commentator Zeev Schiff wrote in the independent, left-leaning Ha'aretz: "Israel is entering a corridor that looks very promising, but also harbors great dangers."

Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv: "At this stage, before anything real happens, this is purely a propaganda battle. Instead of winning it, we are defeating ourselves. Why?"

Senior columnist Dan Margalit wrote in Maariv: "But the current government has no moral right to decide which concessions to make.... Even in its low moments, Barak's government enjoyed wider legitimacy."

Former editor-in-chief Moshe Ishon wrote in the nationalist, Orthodox Hatzofe: "A cold wind has started blowing from Washington."

Columnist Fayez Abbas wrote in the independent Arabic-language weekly Assennara: "Olmert's government and all Israeli governments, excluding Rabin's, have not been interested in the peace process."

Block Quotes:

II. "Forty Years on the Road"

Senior columnist and chief defense commentator Zeev Schiff wrote in the independent, left-leaning Ha'aretz (4/6): "Olmert proposed negotiations on the Saudi initiative, but without going into detail. Israel might make some surprising concessions, he said. Olmert understood that flatly turning down the proposal would be bad for Israel's international standing.... The trouble is implementing these declarations. Israel is entering a corridor that looks very promising, but also harbors great dangers. The process is meant to begin as the United States withdraws from Iraq, which is sure to be labeled a defeat, and Iran continues its race for nuclear arms. If the initiative is to succeed, Israel will need extraordinary leadership capable of introducing wise, courageous policies. To date, however, there has been no serious discussion of all the relevant factors. Israel's leaders will have to operate on several fronts simultaneously: Saudi Arabia and the moderate Arab countries; Syria; the Palestinians, who are swayed by Hamas; and Iran and its lackeys. Last, but not least, is the home front. On the one hand, the leadership of the Arab minority is calling for a change in the character of the state and challenging its identity as a democratic Jewish entity. On the other, the settlers are waking up, as evidenced by the protest at [the evacuated West Bank settlement of] Homesh and the acquisition of a Palestinian house in Hebron."

II. "Israeli Stupidity"

Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv (4/6): "Israel is currently making an awful mistake. If there is a sincere [Arab] intent of peace, Israel's negative response is destroying the chance of creating a moderate front also in order to jointly combat Iran. But if there is no peace intent and just a trap, as claimed by the [Israeli] Right, Israel is exactly playing to Hamas's tune. Israeli refusal is the fastest way to release Hamas from the international embargo and to transfer the latter to Israel. Prime Minister Ehud Olmert has made countless statements regarding the Saudi initiatives. He has also found that it contains positive sides. But this is somehow an Israeli PR failure, too. The Israeli response is being interpreted -- not only in the Arab world but also in the entire world -- as evasive and affected. The Arab initiative will enter the history books. After Khartoum's three 'no's' [in 1969], it looks like a tangible change. At this time it is not important at all whether it is a trap or a serious offer. At this stage, before anything real happens, this is purely a propaganda battle. Instead of winning it, we are defeating ourselves. Why?"

III. "A Government Unfit For Negotiations"

Senior columnist Dan Margalit wrote in Maariv (4/6): "No Israeli government can appear to be a total rejectionist of peace. 'No' to negotiations with the Palestinians, whose government refuses to recognize Israel and to desist from terror; 'no' to Syrian President Bashar Assad's extended hand; and 'no' to the Saudi initiative that insists on the 'right of return' to the descendants of the Palestinian refugees from 1948. All those components include a significant Israeli concession. They are about principle stances, about the special relationship with the United States. Israel will have to enter a discussion on one of these fronts -- at least in order to fulfill its obligations. But the current government has no moral right to decide which concessions to make.... Even in its low moments, Barak's government enjoyed wider legitimacy than its current heir. Every government headed by Binyamin Netanyahu or an elected [leader] from the Labor Party will want to negotiate with the Arabs. But, in order to enter negotiations, a broad-based Israeli determination is required. The present government has no mandate for this."

IV. "A Cold Wind Blowing From Washington"

Former editor-in-chief Moshe Ishon wrote in the nationalist, Orthodox Hatzofe (4/6): "A cold wind has started blowing from Washington.... [During the recent visit], this was not the same Secretary of State we have known over the past year, who used to

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bring along virtuousness and understanding for Israel's diplomatic

and security interests. This time her ... diplomatic presentation was different: It reminded us of the distant past, when secretaries of state demonstrated no real sympathy for Israel. The changes recently effected in the United States' Mideast policy are influenced by its status in Iraq, among other things.... It can be assumed that Condoleezza Rice received President Bush's approval for the presentation of [her] plan to Prime Minister Ehud Olmert.... It is amazing that Condoleezza Rice brought along a proposal calling for Israel's withdrawal to the 1967 borders, which is in fact the Saudi proposal. This makeover ... indicates a significant change in Washington's position. Prime Minister Olmert indeed tried to remove it from the agenda, but not unambiguously. It would be more accurate to say that [her] proposal was rejected only temporarily and not unmistakably. This is regrettable."

IV. "Syria, Israel and Peace"

Columnist Fayez Abbas wrote in the independent Arabic-language weekly Assennara (4/6): "I do not know what exactly the message of US House Speaker Nancy Pelosi to Syria included. However, the big question should be whether the Israeli government is serious regarding the peace process with Syria and the rest of the Arab countries. The answer to this question is very simple. Olmert's government and all Israeli governments, excluding Rabin's, have not been interested in the peace process. Rabin was ready to withdraw from the Golan Heights in exchange for peace with Syria, but we all know what happened to Rabin, who was assassinated by a Jewish bullet because he was very serious about the peace process. Since the assassination, all Israeli governments waved slogans of 'peace for peace' and not 'peace for land' -- a concept refused by the Arab world.... During one of my visits to Syria and meeting with President Assad [the father], he expressed his true intentions for peace with Israel, however those intentions weren't welcomed by Israel, which claimed that Syria was actually preparing for war.... A couple of months after my visit I wrote about the case of Gil, the Israeli intelligence agent who was charged over faking reports on alleged Syrian war preparations against Israel.... This incident proved that Israel had no clue what was happening within the Syrian administration and yet believed the fake reports. After the arrest of the agent Gil, will Israel believe that Syria is ready for complete and just peace or will there be another 'Gil?'"

12. Iran: Detention and Release of UK Sailors:

Summary:

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz: "One can only hope that this supposedly humanitarian gesture of 'forgiving' Britain will not stop Bush and Blair from persisting in their battle to keep Iran, whose declared goal is the destruction of Israel, from achieving a nuclear capability."

The conservative, independent Jerusalem Post editorialized: "Iran's true face is most unmistakably exposed in the case of the three yet unreleased Israeli abductees."

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in The Jerusalem Post: "Iran grows stronger in the face of Western weakness and hypocrisy. But is still isn't all that strong. The fact remains that even at this late date, we alone will determine whether we win or lose."

Editor-in-Chief Bassam Jaber wrote in the left-leaning, independent Arabic-language weekly Panorama: "The lesson that can be learned from the release of the marines is the second lesson after Iraq, for both Bush and Blair and for all those who build their policy on show-offing or misusing power."

Block Quotes:

1I. "The Forgiveness Game"

Senior columnist and longtime dove Yoel Marcus wrote in the

independent, left-leaning Ha'aretz (4/6): "Even the biggest, strongest superpowers have no answer for the primitive form of warfare known as kidnapping that Islamic bullies have added to the menu in their fight against Western civilization. With our experience of brutal kidnappings, who knows better than we how problematic they can be, and how high a price one is forced to pay to bring hostages home, alive or in a box.... In this game of horror, the kidnappers have the upper hand, because they know that in the civilization they are out to destroy, human life is valued above all.... A country with values is at a disadvantage when it comes to kidnapping. Yes, Blair raised his voice and threatened to take firmer action if a solution wasn't found right away. So he threatened. So what? The Iranians countered that the use of force would only complicate matters.... One thing is certain: Within a couple of days or weeks, we will find out the price Great Britain paid for the release of these hostages. Iranians are known for their keen business sense. There is no such thing as a free gift.... One can only hope that this supposedly humanitarian gesture of 'forgiving' Britain will not stop Bush and Blair from persisting in their battle to keep Iran, whose declared goal is the destruction of Israel, from achieving a nuclear capability."

II. "Iran's True Face"

The conservative, independent Jerusalem Post editorialized (4/6): "Fifteen British sailors are safely back home, after two weeks in Iranian captivity -- a happy ending which in itself should please anyone who deplored their unjust detention in the first place and all the grist their seizure provided for Tehran's propaganda mill. Exasperatingly, however, Iran's President Mahmoud Ahmadinejad and his cohorts have managed to come out looking good, despite their out-and-out act of piracy, intimidation, and unlawful imprisonment.... Given the track record of the ayatollahs' regime, things could have been far worse.... Despots, of course, always have evinced and continue to evince a penchant for such disingenuous pageantry. Ahmadinejad isn't the first autocrat to force hapless hostages to play act and give praise for what is falsely presented as kindness.... A wolf is most treacherous in sheep's clothing and a ruthless enemy is most misleading when it dons a fallaciously pleasant mask. Iran's true face is most unmistakably exposed in the case of the three yet unreleased Israeli abductees.... The free world's challenge is not to be hoodwinked by his honeyed blandishments, and critically not to let his regime's duplicitous magnanimity in resolving its own act of piracy divert attention from the Iranian nuclear threat."

III. "Iran Doesn't Mix Signals"

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in The Jerusalem Post (4/6): "The footage of the British hostages thanking Iranian President Mahmoud Ahmadinejad for the hospitality and forgiveness, like the footage of Speaker of the US House of Representatives Nancy Pelosi covering her head in a scarf while on a visit to Damascus, was enough to make you sick. Must we lose this war?.... Iran grows stronger in the face of Western weakness and hypocrisy. But is still isn't all that strong. The fact remains that even at this late date, we alone will determine whether we win or lose."

IV. "Lessons From the Release"

Editor-in-Chief Bassam Jaber wrote in the left-leaning, independent Arabic-language weekly Panorama (4/6): "The incident of the captive British marines has shown the key role that Syria can play in resolving issues between conflicted sides in the region.... Iran has proven that there is another language [of communication] that can be used to achieve agreements other than the language of threats and Security Council resolutions. The lesson that can be learned from the release of the marines is the second lesson after Iraq, for both Bush and Blair and for all those who build their policy on show-offing or misusing power."